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13 APR 1977

DCI AS HEAD OF THE CENTRAL INTELLIGENCE AGENCY

This short paper is an attempt to discuss the role of the DCI as executive head of the Central Intelligence Agency (CIA) as it has evolved in recent years, with particular attention to the stresses and strains introduced by recent changes.

CIA was established by the National Security Act of 1947. For approximately the first 20 years of its existence the DCI functioned effectively as the head of the CIA. Few within the Executive Branch or in the Congress paid much serious attention to the Intelligence Community as a community or to the DCI as head of that Community. CIA existed in some isolation, certainly in comparison with today, from its partners in the intelligence process and tended to see itself as an elite organization somewhat aloof from others in the Community. At the same time, until relatively recently, CIA functioned in a highly decentralized way with real operating authority largely delegated to the four line Deputy Directors and with DCIs who selected those issues of interest to them and pursued them inside and outside the Agency but who generally did not consider themselves as managers of the whole of CIA.

Both of these characteristics of CIA during this period flourished because the President, the Congress, and the public had relatively little real interest in CIA and because the Agency's goals and methods, to the extent they were understood, enjoyed wide public and Governmental support.

During the late 1960s and early 1970s a number of developments began to call into question these relatively well established patterns. Growing public disaffection over the U.S. Government role in Southeast Asia and the Agency's prominent part in it promised eventually to create an atmosphere of massive public mistrust of Governmental decisions made in secret and to call into question much that CIA did. Watergate clearly contributed to public perceptions about the need for secrecy in Government and raised troubling questions for many components of the Intelligence Community who were sometimes accused of operating secretly only to conceal embarrassing mistakes. In that explosive atmosphere a New York Times story on alleged abuses by CIA during the 1960s generated a very vigorous move by both houses of the Congress to examine in great detail what had been previously accepted in many cases (though not always) as normal and acceptable.

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In retrospect, another important development occurred during this period and continues to affect us very much today: the study of the Intelligence Community carried out at OMB by Jim Schlesinger, later to become DCI. Broadly, the study asserted that the Director should be an effective head of the whole Intelligence Community and argued that the lack of leadership within the Community had produced a serious management problem which needed attention. Dr. Schlesinger observed that the lack of leadership over the whole Community and the relative insularity of the various components of the Community led to duplication of effort and waste, and lowered the quality of the product. Dr. Schlesinger recommended the creation of the Intelligence Community Staff and broader involvement of the DCI in the Community resource review function.

Public attitudes arising from the U.S. Government's conduct of the Vietnam War, the Watergate situation, critical internal Executive Branch looks at Intelligence Community management, and the investigations by Congress--far from assuring the public and the nation's leadership that intelligence was effectively managed and under adequate oversight review--have so far led instead to continuing examination of the problem. Today it seems clear that the Executive Order issued by President Ford last year, a serious effort to establish workable mechanisms to cope with many of the problems identified in recent years, was only an interim step in the further definition and solution of a larger problem.

25X1 Working within the existing framework of legal authorities
25X1 which give the Department of Defense legal responsibility for the conduct of some [] percent of the Intelligence Community program (in budget terms) and the Director of Central Intelligence direct authority for only [] percent of the program, Executive Order 11905 further codified the broad consensus which has emerged in recent years that someone should be in charge of the Intelligence Community, and that "that" someone was the DCI. On the other hand because existing authorities did not permit giving legal authority for all aspects of the Community to the DCI, the framers of the Executive Order adopted a collegial management arrangement in which the Director would attempt to control the budget process as a first among equals, and the White House itself would assume some responsibility for the control of possible impropriety through the establishment of an Intelligence Oversight Board.

In assigning more and more responsibility to the DCI for Community management, however, both the Schlesinger report and the Executive Order made it more and more difficult for the DCI to function as the head of CIA. The Executive Order implicitly recognized this when

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it stated that the Deputy Director of Central Intelligence should be responsible for the day-to-day management of CIA.

Pushed towards responsibility for the whole Community, but lacking the legal authority to assume that responsibility and very mindful of strong Presidential and Congressional desires that they assume leadership, Directors have taken advantage of such mechanisms as are available to them to lead without a clear basis in statutory authority for doing so. This has caused difficulty within CIA, where there is a widely-held perception that recent DCIs have bent over backwards to cooperate with other elements of the Intelligence Community, sometimes at the expense of CIA, in order to preserve their ability to carry out their Community leadership role. Within existing legal authorities, it is easy to see why this perception would exist. Many are aware that the fabric which knits together the Intelligence Community is extremely frail, that it depends heavily on personal not institutional arrangements and authorities, and that serious problems which pit one component of the Community against another must be avoided at any reasonable cost in order to preserve the fabric of the Community and the DCI's ability to function as its leader.

There is another problem which was caused by the collegial arrangements created by the Executive Order. As the CFI (now the PRC) has evolved, it is increasingly clear to many members of the Intelligence Community that individual components need to take steps to help insure that the PRC principals are adequately informed in detail on the issues presented. This has produced pressures on individual Community components, like CIA, to inform a wider audience of the need for decisions on programs which go before the PRC for review and--in effect--to be as responsive as possible to demands for information in order to assure that the "right" decisions are made. Because it has been physically difficult to get busy PRC principals together for meetings--and because the more widely based the decision-making process becomes, the more necessary time-consuming prior coordination and information sharing becomes--there has been in the minds of many within CIA a general degradation of the quality and crispness of the decision-making process.

Similarly, increasing outside demands for information about the Intelligence Community and CIA have created internal pressures for centralization of certain kinds of decision making, certainly in the Community as a whole but also within CIA. As people outside the Community ask increasingly informed and penetrating questions about individual programs which relate or appear to relate to other parts of the Intelligence Community, there is an increasing need for

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centralization of decision making to insure that the Community has properly coordinated itself before it is subject to such probing. Similarly, within CIA historic decentralized patterns of management have been changing rapidly to accommodate to outside pressures of this type. A case in point: The [] was lost to Congress in its consideration of the 1977 Budget largely because of Congressional perceptions that the Science and Technology Directorate was building a satellite which the Operations Directorate was not convinced it needed. Thus, searching outside questioning forces centralized attention to many problems. In the not too distant past, this was generally not required and hence all too often not pursued.

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While the Executive Branch and the Congress were in effect telling the Director to assume more and more responsibility within the Community but failing to give him the necessary authority to do so, Congressional interest, growing out of the investigations, in control and oversight has been working simultaneously to enhance accountability not only over CIA but over other parts of the Community as well. As this process has broadened and deepened, however, CIA has perceived its past flexibility--the very thing which made it different and better in the eyes of its own employees--as diminished.

In recognizing that the DCI was becoming more and more a Community creature and less and less a Director of CIA, the Executive Order wisely noted that the Deputy Director should assume a larger CIA leadership role. However, the DDCI is the only "program manager" within the Intelligence Community who works directly for the DCI. Because of this unique relationship, it is awkward for him to push aggressively for the interests of CIA during a jurisdictional or resource allocation dispute with another "program manager." Therefore, the DDCI is denied a forum of equal appeals in presenting CIA's position in contrast to other managers who can exercise lesser restraint and who have another appeal route through their line command organizations. The problem becomes particularly acute when he is aware that in pushing his own Agency's interests he may put the Director in a position which threatens the frail arrangements he has for coordination in the entire Community. Let us be clear on one point: This problem does not relate to personalities but is rather a symptom of the larger management problem referred to, namely, the Director's lack of authority over the entire Community to cope with the responsibilities which others expect him to carry out.

In sum then, for a variety of reasons, as many have demanded that the DCI assume a larger Community role, the arrangements under which he has been forced to do so have made it increasingly difficult

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for CIA. This should not be construed as an argument for a return to the halcyonian days of the 1960s. It seems clear enough that the demands for leadership of the Community require attention instead to a firmer articulation in law of the Director's responsibilities and authorities for the whole Community.

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12 April 1977
OutlineC. The DCI as Head of CIA

[Need a short, 10-page paper to fit in with similar sub-sections on DCI as Presidential Advisor, Producer of National Intelligence, Community "Leader," Protector of Sources and Methods, Counterintelligence Participant, etc. Paper should cover legal sources of authority, statutes, Executive Orders, NSCIDs; describe the scope, substance, and powers in the role; describe the problems and tensions in the role under current conditions; discuss implications (but not recommendations) of the role for Community structure. It is especially important here to avoid the usual boiler plate, to identify the hidden tensions and problems.]

CIA is:

- Analysis and production
- Clandestine service for FI, CA, FCI, but little paramilitary
- R&D for CS, analysis, and big technical programs
- Technical program operation
- Services of common concern, e.g., NPIC, FBIS, some data bases
- Support elements

CIA is not a completely self-standing, omnicompetent national intelligence agency; it is of and dependent on the Community to a large degree.

CIA has not really been a single agency, but several relatively separate elements and cultures. This has changed some recently.

This mix of things in and the structure of CIA do not make a lot of sense if the role of the DCI and the structure of the Community are substantially altered. Hence, recent changes in the former and prospects for change in the latter have threatened CIA's sense of place and function . . . even existence.

Current imperatives of oversight, resource management, Community management, evaluation . . . these are perceived as destroying familiar flexibilities for getting things done, sapping morale. [External critics say CIA has to learn to live in the real world.]

✓ As he drifts off to Community business, where he must negotiate and trade rather than command, CIA sees itself losing the DCI, its only real link to the President, while suffering from his need to be "fair" in the Community.

DDO needs a home that will allow for effective operations. This is much more than structure. But restructuring must account for DDO's special operating problems.

DDI has got to see its link with the DCI and national production reestablished or, at least, defined.

DDS&T is at risk of losing its "innovativeness." Or is this merely an expression of nostalgia for the good old days?

7 Much of the debate about Community structure is about DCI authority, especially about increasing it. The DCI has had great and, for government, unusual authority over CIA for many years. Has he used it effectively? Yes: He used it to build new competence and technology without the fuss familiar in, say, DOD. No: Not only did a lot of things the DCI "built" get out of hand, but he did not use his great authority to accomplish strict and efficient management internally. Irrational organizational structures persist for years. Personnel policies, especially regarding quality upgrading, are much flabbier than they had to be, given his powers.

Is this diagnosis right? Quite apart from the morale and psychological aspects of the troubled present, CIA cannot survive or be effective in the present "in-between" kind of Community, with an anomalous role for its head. Either CIA has got to be returned to its "centrality" in a federation, where DCI roles are clearly defined, fully empowered, and not so great to detract from the "centrality" of CIA; or CIA functions have to be folded into a much larger national intelligence agency.

A further note:

CIA has or is viewed to have an anti-military self-image, culture, attitude. Example: A senior CIA officer's recent reflections on the role of the DCI in Community raise serious doubts as to whether a DCI who must support the intelligence needs of the military is a healthy thing for the nation. This attitude or perception is a very active ingredient in the present debate, and it engenders grave suspicions in DoD as to whether any DCI or office evolving therefrom can give the military a fair shake, in peace or war. It certainly fouls any serious restructuring of the Community for resource management.

Why cannot CIA or other national-type intelligence entity just see the military, at all levels, in peace or war as another important customer to be as well served as possible, depending on the circumstances and what the President wants?

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